struction of landing fields at strategic points. In addition, the Air Corps has made exhaustive surveys and has drawn up plans for a system of air routes covering the entire archipelago.

Within a few days we shall hail the first trans-Pacific flight by the Pan-American Airways, which will mark the beginning of a new epoch of travel and communication between the Philippines and the rest of the world.

PHILIPPINE CONSTABULARY

In recent months reforms have been inaugurated in the Philippine Constabulary, bringing the organization to a high state of efficiency. With the cooperation of the legislature, which appropriated the necessary funds, the force has been increased from 400 officers and 5,047 men to its present strength of 549 officers and 8,512 enlisted men. Two signal companies, two chemical-welfare companies, and one howitzer company have been organized. Twelve machine guns and several Thompson sub-machine guns have been acquired, At the same time it has been put upon a solid basis of promotions and rewards on merit only. The Filipino people and their American sponsors have every reason to feel pride and confidence in the Philippine Constabulary as it exists today. It is not an arm of war} but an agency of kw and order, and our goal during the past two years and a half has been to make it a unit reasonably adequate to the needs of peace in the Islands, This, I am firmly convinced, has been achieved, and my only injunction in this connection is that this goal be kept clearly and steadfastly in mind.

ECONOMIC DEVELOPMENT

Economic progress in the Philippines has justified the hopes of those who set out thirty-five years ago to train a people for nationhood on the principles enunciated by the far-seeing revolutionaries of 1776, Building on a foundation of enlightened altruism, America has consummated an achievement without parallel in the annals of colonial administration.

The early American government found the Philippines with a meager and inadequate economy. The total of foreign trade was less than pi00,000,000 a year. Imports exceeded exports and the balance of trade, both visible and invisible, was seriously against the

Islands. Internal trade was seriously restricted and Philippine economy was essentially that of the village. The country was almost wholly